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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Cattle Market Update

For the Week Ending January 17, 2014

All prices are quoted in Canadian dollars per hundredweight (\$/cwt) unless otherwise stated.

Feeder Cattle

Steers

	Range	Average	Change from Dec. 13
300-400	185-211	190.13	+8.88
400-500	181-206	193.00	+18.81
500-600	177-204	186.70	+22.55
600-700	163-183	174.00	+19.05
700-800	152-176	163.10	+14.16
800-900	142-164	150.75	+9.87
900+	130-153	140.33	+9.83

Heifers

	Range	Average	Change from Dec. 13
300-400	155-188	168.63	+16.59
400-500	154-180	167.50	+19.62
500-600	152-176	161.10	+19.82
600-700	144-163	153.20	+19.50
700-800	138-158	145.60	+15.67
800+	127-147	137.00	+12.25

Source: Canfax.

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week.

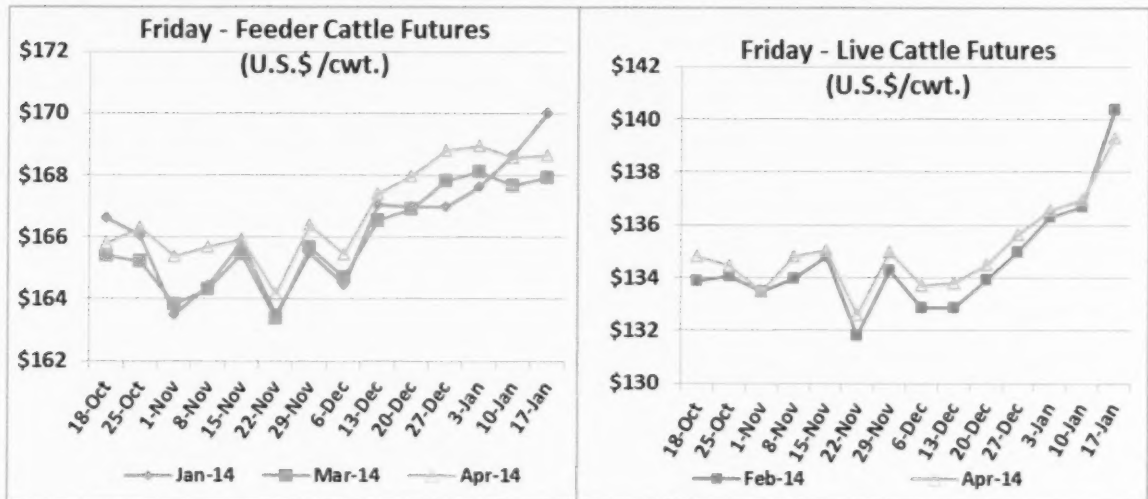
Canfax reported that a total of 10,635 head of cattle were sold in Saskatchewan this week, down from 17,435 head marketed the week of December 13, our last cattle market update.

Feeder cattle prices have been very strong and increased significantly over the month since our last cattle market update on December 13, 2013. The weaker Canadian dollar and lower barley prices over the last few weeks have strongly influenced Western Canadian feeder cattle prices. Average prices for feeder steers increased between \$8.88 per cwt and \$22.55 per cwt since the week of December 13. The feeder steers in the 500-600 lb. weight category had the largest increase since mid-December at \$22.55 per cwt. The remaining categories all had increases with double digit increases in the 400-800 lb. weight categories.

Feeder heifer prices were also significantly higher since December 13, with double digit gains in all categories. Feeder heifer prices increased between \$12.25 per cwt and \$19.82 per cwt. The 500-600 lb. weight category had the largest increase of \$19.82 per cwt. The heavier weight feeder heifers increased the least over the month.

The Saskatchewan 750 lb. feeder steer basis compared to the January 16, 2014 U.S. feeder cattle index at US\$171.32 per cwt was calculated at -\$24.94 per cwt (US\$171.32/0.9111 - \$163.10), a basis narrowing of \$3.91 per cwt from -\$28.85 per cwt on December 12, 2013.

Feeder cattle futures prices edged higher over the last few weeks with tighter cattle supplies and higher live cattle futures. The January to March contracts increased between US\$1.250 per cwt and US\$2.925 per cwt, since December 13, 2013. The feeder contracts continue to edge higher as the March contract settled the week at US\$167.925 per cwt while the April contract settled the week at US\$168.650 per cwt.



Source: CME

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Live cattle futures prices were higher over the week. The February to April contracts increased between US\$2.325 and 3.650 per cwt, week-over-week. The February contract settled the week at US\$140.350 per cwt while the April contract settled the week at US\$139.300 per cwt. Record beef cutout prices were up 7.0 per cent on the week helping live cattle futures prices move higher. The February contract has increased by US\$7.50 per cwt since December 13.

Iowa cash corn prices and nearby corn futures moved lower over the week. The Iowa cash price as of Friday was US\$4.15 per bushel, down 11 cents from the previous Friday. The March corn futures contract was almost 9 cents lower to settle Friday at US\$4.240 per bushel while the May contract decreased 9 cents to close the week at US\$4.316 per bushel. Corn prices had rebounded the previous week after USDA released the latest crop estimates which reduced the 2013 corn crop. Cash corn prices have overall been trading in a narrow trading range the last two months.

Last week the USDA released the January World Agricultural Supply and Demand Estimates (WASDE). United States corn production estimates for the 2013 crop were reduced to 13.925 billion bushels for January, from 13.989 billion bushels in December. Corn production was primarily reduced due to lower corn yield estimates of 158.8 bushels per acre in January, from 160.4 bushels per acre in December. Corn usage was increased from December leaving estimated corn carryover 9.0 per cent lower at 1.631 billion bushels. The U.S. corn price was narrowed to a price range of US\$4.10 to US\$4.70 per bushel. World corn production was increased slightly from December to 966.92 million metric tons in January. However, increased world corn usage estimates in January had world ending stocks decline 1.4 per cent in January from December, leaving estimated ending corn stocks at 160.23 million metric tons.

The January USDA WASDE report estimated that U.S. red meat and poultry production was 93.262 billion lb. in 2013, a slight decrease from the December estimates. Total meat production for 2014 was also revised slightly lower to 93.485 billion lb. from December, but still slightly higher than 2013 production. Beef production for 2014 was revised 0.5 per cent higher from December, but still 5.4 per cent or 1.4 billion lb. less than 2013 production. Pork production estimates for 2013 and 2014 were both reduced from the December estimates, likely due to the Porcine Epidemic Diarrhea virus in the United States. Pork production estimates for 2014 were reduced but still estimated to be higher than 2013. United States production for 2014 is projected to increase for pork (+1.7%), broilers (+3.0%), and turkey (+1.5%), but decrease for beef (-5.4%), from 2013 production.

Fed and Non-fed Cattle

	January 17	December 13	Change
Cows (Alberta)			
D1,2 Live	82.30	70.38	+11.92
D3 Live	73.75	63.70	+10.05
Rail	159-164	140-145	+19.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were higher last week and higher from the week of December 13 with D1,2 slaughter cows increasing \$11.92 per cwt to average \$82.30 per cwt, while D3 slaughter cows increased \$10.05 per cwt to average \$73.75 per cwt.

Fed cattle prices in Western Canada were again higher over the week, increasing \$4.87 per cwt from the previous week. Fed steers in Alberta were reported to average \$138.51 per cwt, up \$10.61 per cwt from \$127.90 per cwt the week of December 13. Fed cattle prices in Alberta continue to reach new all-time highs from tighter cattle supplies and a weaker Canadian dollar.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at a new record price of US\$142.50 per cwt, up US\$2.82 per cwt from the previous week and up US\$18.57 per cwt from US\$123.93 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at a record US\$227.28 per cwt, up 2.8 per cent from US\$221.03 per cwt the previous week.

Beef cutout prices set new records averaging US\$224.62 per cwt, well above the old record and from US\$210.00 per cwt the previous week (Choice 600-900 lb.). Beef production for the week averaged 479.8 million lb., up from 455.9 million lb. the previous week, but down 1.5 per cent from 486.9 million lb. the same week a year ago. Weekly cattle slaughter numbers totaled 598,000 head, up from previous week, but down 2.2 per cent from 612,000 head a year ago.

U.S. beef plus beef variety exports in November 2013 were 101.3 million metric tons, up 11.0 per cent from November 2013. By dollar value, November 2013 exports were \$524.5 million dollars, up 16.0 per cent from November 2012. Year-to-date, to the end of November 2013, U.S. beef plus beef variety exports were 1.070 billion metric tons and \$5.606 billion dollars, up 2.6 per cent by volume and 11.0 per cent by dollar value compared to the same eleven months in

2012. In 2013, the U.S. has had large beef export increases to Hong Kong, Japan and Taiwan, but significant declines to Russia (98 per cent) and Vietnam.

Friday Price Information

Product	This Week (January 17)	Week of: (December 13)
Canadian Dollar (closing rate US\$)	.9111	.9438
U.S. Cash Cattle		
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)	171.32	167.80
Seven-day Weighted Average FC Index Wt. (lb.)	746	735
Live Fed 5-area Steer Price (US\$ per cwt)	142.50	130.61
Feed Grains		
Barley Lethbridge (\$/tonne)	154.00	178.00
(\$ per bu.)	3.35	3.88
Corn Iowa State Average (CDN\$/tonne)*	179.32	173.94
(US\$ per bu.)(Wed. 27/corn)	4.15	4.17
Omaha, NE (CDN\$/tonne)*	180.61	178.52
(US\$ per bu.)	4.18	4.28
Futures		
March Corn (US\$ per bu.)	4.24	4.25½
May Corn (US\$ per bu.)	4.31¾	4.33¾
February Live Cattle (US\$ per cwt)	140.350	132.850
April Live Cattle (US\$ per cwt)	139.300	133.800
January Feeder Cattle (US\$ per cwt)	170.000	167.075
March Feeder Cattle (US\$ per cwt)	167.925	166.550

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
 * conversion to CDN\$ is based on Friday's CDN\$ closing rate

Note: Cow-calf producers in Saskatchewan are reminded to check with their local market operators regarding current market conditions for non-fed cattle. Producers are also reminded that old, thin cows have a very low market value. The non-fed prices quoted each week do not represent the market price for these animals. As an alternative to transporting these animals, you may want to check with your local veterinarian or the nearest Canadian Food Inspection Agency (CFIA) office to see if these animals are eligible for testing as part of the bovine spongiform encephalopathy (BSE) surveillance program. Producers receive \$75 from the CFIA for each eligible sample submitted. The goal of this program is to prove that the BSE control measures implemented in Canada are working.

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